



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Corrections

COMMISSIONER'S OFFICE

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February 21, 2018

Representative Neal Foster, Co-Chair
House Finance Committee
103 E. Front St.
Nome, AK 99762

Representative Paul Seaton, Co-Chair
House Finance Committee
270 W. Pioneer Ave
Homer, AK 99603

Dear Chairs Foster & Seaton,

In response to the questions raised by Representative Wilson's questions on the Department of Corrections supplemental items within HB321 heard in committee on Wednesday February 21. The Department of Corrections is providing the following information:

Additional information on the request of \$10,447.6 for institutional operations:

This request will provide full funding to the operating correctional facilities and replaces a portion of the (\$18,713.6) in budget reductions taken in FY2017 and FY2018 associated with passed legislation SB91. This supplemental request is necessary to meet the current operating expenditures of the correctional facilities as the anticipated savings are not attainable until the projected prison population reductions can be achieved. The Population Management RDU is unable to absorb these expenditures within the existing authorization and requires a supplemental to meet these operating costs.

The budget reductions were taken in anticipation of a daily prison population reduction of 1,257 annually starting July 1, 2017, however, as of December 31, 2017 the total daily reduction is approximately 500, leaving these facilities without sufficient funding to meet the need of the prison population and maintain safe institutional operations.

Funding is requested to meet the following identified shortfalls:

	Total	Personal Services	Contractual	Commodities
Anchorage Corr Complex :	\$ 3,217.1	\$1,219.2	\$1,373.1	\$624.8
Combined Hiland Mountain Corr Center :	\$ 819.4	\$229.8	\$496.7	\$92.9
Fairbanks Corr Center :	\$ 754.6	\$196.8	\$317.7	\$240.1
Ketchikan Corr Center :	\$ 148.9	\$60.7	\$32.2	\$56.0
Lemon Creek Corr Center :	\$ 698.8	\$374.5	\$147.8	\$176.5
Spring Creek Corr Center :	\$ 3,484.5	\$574.9	\$2,542.9	\$366.7

Wildwood Corr Center :	\$ 204.5	\$104.7	\$98.1	\$1.7
Yukon-Kuskokwim Corr Center :	\$ 845.2	\$557.0	\$138.6	\$149.6
Inmate Transportation :	\$ 274.6	\$105.6	\$38.4	\$130.6
Total :	\$ 10,447.6	\$3,423.2	\$5,185.4	\$1,838.9

These amounts are allocated towards:

- personal services to meet the salary and benefits of the positions assigned to meet the security needs of the correctional facilities listed;
- contractual services to meet safety and laboratory testing, freight and delivery services, maintenance and security services provided within the facilities through professional service contracts;
- commodities to meet the costs associated with inmate housing such as: prisoner food, clothing, bedding, non-food kitchen supplies, supplies related to inmate needs, employee uniforms and other miscellaneous consumable items.

Anticipated savings will not be attainable until the projected reductions within passed legislation SB91 can be achieved. Current cuts hinder the department's ability to meet daily operations for the secure facilities and safe communities and requires a supplemental appropriation throughout the various correctional facilities due to offender population levels and the potential of offenders releasing back into the communities unprepared, generating public safety issues.

Additional information on the request of \$10,341.5.6 for inmate medical costs:

A supplemental of \$10,341.5 within the Physical Health Care component is requested to cover the known shortfalls associated with providing medical care to the offender population. The Health and Rehabilitation RDU is unable to absorb these expenditures within the existing authorization.

The Department services a very sick population – the primary trend is that they are coming into a facility sicker than ever before. Individuals underserved in the community are coming to the department with complex medical needs further complicated by years of substance abuse. It is unknown who is going to walk through the door or what kind of care they are going to need. A review is completed on every high cost medical condition for possible release options – community placements, medical parole, discretionary parole, bail reduction, O/R release, etc. Anyone who is sentenced and requires expensive long-term care is considered for out of state placement. Every option available to use for reducing the cost of care is considered and every opportunity to use federal Medicaid dollars is utilized to the fullest extent possible.

This request is necessary to meet the actual expenditures associated with providing medical services to the incarcerated offender population. The FY2017 shortfall within this component was (\$13,535.6) and was met through a \$10,000.0 supplemental and used existing authorization made available through delay or elimination of programming contracts. It is anticipated this shortfall will continue and a like increment request is included in the FY2019 budget.

This request is allocated as follows:

\$2,547.8 is needed to meet the shortfall within the personal services line. The driving factors include: overtime for 24-hour medical coverage, expanded medical coverage for the detoxing population and non-perm sub-fill position costs to meet nursing shortages associated with position vacancies. With the number of position vacancies the DOC is forced to utilize overtime or non-permanent sub-fill nursing positions to meet the medical coverage required within the 12 operating institutions.

\$6,418.7 is needed to meet shortfalls within the services line. This shortfall is primarily related to medical fees for hospital services not covered by Medicaid, increase in hospital contracts rates, increase in fees for services, increase in laboratory costs, increase in the high cost cases and increase in nursing contracts for provider coverage due to position vacancies. The department is required to provide and pay health care services for all confined offenders. The department is seeing an increase in chronic disease associated with diabetes, dialysis, lung issues, cancer, heart disease, surrounding health-related issues due to obesity, and health issues associated with care for geriatrics. Fees-for-service are generated when it is necessary to seek non-institutional medical treatment for an inmate. The types of non-institutional medical treatment may include dialysis treatment for renal failure and/or acute renal failure, chemotherapy and radiation, etc. Nonpayment could result in a lapse of medical services for inmates and ultimately increase the severity of health related issues of this population resulting in higher costs due to non-treatment or even litigation if left untreated.

\$1,375.0 is needed to meet the shortfall within the commodities line. This shortfall is primarily related to an increase in pharmaceutical costs as well as routine medical supply cost increases. In addition to the medical supplies, equipment, and patient specific durable medical equipment costs are also increasing. These supplies update and may replace outdated supplies and equipment within the facilities and assist in meeting and maintaining the minimum standards of care.

These two items make up the \$20,789.1 million request to meet the supplemental needs in the FY2018 budget for the Department of Corrections.

Again, thank you for allowing the opportunity to provide additional details.

Sincerely,



April Wilkerson
Director Administrative Services
Department of Corrections